

**REFERENCE RELATING TO THE COMPLETED MERGER BETWEEN
CLIFFORD KENT HOLDINGS LIMITED AND DEANS FOOD GROUP LIMITED
THROUGH NOBLE FOODS LIMITED**

**Notice of provisional findings made under Rule 10.3
of the Competition Commission Rules of Procedure**

1. On 13 September 2006, the Office of Fair Trading, in exercise of its duty under section 22(1) of the Enterprise Act 2002 (the Act) and its power under section 35(6) of the Act, referred to the Competition Commission (CC) the completed merger of Deans Food Group Limited (Deans) and Clifford Kent Holdings Limited, parent company of Stonegate Farmers Limited (Stonegate), through Noble Foods Limited for investigation and report within a period ending on 27 February 2007.

Provisional findings

2. An inquiry group of CC members was appointed to consider this reference and has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Act:
 - (a) a relevant merger situation has been created; and
 - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition (SLC) in the
 - (i) supply of cage and barn, of free range and of organic shell eggs to retailers;
 - (ii) supply of free range liquid eggs and of cage liquid eggs, to those customers in the UK for whom the use of imported eggs provides a poor substitute; and
 - (iii) procurement of shell eggs from producers in the UK;
3. The CC's provisional findings on these questions, and its reasons, are set out in the provisional findings report, a summary of which is attached to this notice. The provisional findings report will be published in full on the CC website (<http://www.competition-commission.org.uk/inquiries/ref2006/stonegate/index.htm>) (see note (i)).

The next steps

4. Anyone wishing to comment on the provisional findings is invited to provide the CC with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
5. These reasons should be received by David Peel, the Inquiry Secretary to the inquiry (see note (ii)), no later than Thursday 25 January 2007.
6. The CC will have regard to any such reasons in making its final decisions on the statutory questions and actions.

7. The CC is also sending to the parties, and publishing, a notice of the possible actions which it considers might be taken by the CC to remedy the SLC provisionally identified.

Barbara Mills

Barbara Mills
Group Chair
5 January 2007

Notes:

- (i) A copy of this notice and the summary of the provisional findings report is being placed on the CC website on 05 January 2007. The CC proposes to publish the provisional findings report on its website by 11 January 2007. The published version of the provisional findings report will not contain any information which the CC considers should be excluded from the report, having regard to the considerations set out in section 244 of the Act.
- (ii) Comments should be made by email to: david.peel@cc.gsi.gov.uk or by post to:

David Peel
Inquiry Secretary
Victoria House
Southampton Row
London
WC1B 4AD